THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY FOR EXTENSION WORKERS AND THE STAFF BY THE BUREAU OF AGRICULTURAL ECONOMICS, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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GOOD OUTLOOK FOR DOMESTIC MARKET

As spring advances, the important elements in the situation come out more clearly into the light.

One dominant factor is the remarkable wave of business activity which is sweeping the urban community. The cities are genuinely busy. Men are producing; they are creating purchasing power. The domestic market for farm products has measurably improved.

On the foreign demand side, however, there seems to be general opinion among skillful observers that the outlook for our farm products is not quite as good this year as it was last.

Labor is being drawn from the farms to urban centers. This will tend to raise wages on farms, but the movement is inevitable under the circumstances. There is little evidence of serious labor handicap as yet; the pinch is more likely to come at harvest time.

The reports from farmers to this Department a month ago indicated intentions to plant 12% more cotton, 2.6% more corn, 10% more tobacco, but 9% less potatoes, and $5\frac{1}{2}$% less spring wheat than last year. This is a good index as to what producers think of this year's outlook.

Nobody can say much on the production side yet. In agriculture, man proposes but the weather disposes. Spring planting is now from two to three weeks behind. As nearly as the efforts of well-informed farmers can be summed up, they seem to be in the direction of more cotton, sheep, possibly corn; but less wheat, hogs and potatoes.

REGIONS AT A GLANCE

THE EAST - Rather backward on account of cool weather. Northern dairymen apparently rather more optimistic than year ago. Fruit in blossom; potatoes up south of Middle Atlantic States.

THE SOUTH - Still apparently figuring on around 10% increase in cotton acreage, but planting is nearly three weeks behind. Migration of Negro farm hands to town is still going on in considerable numbers. South generally optimistic, however.

CORN BELT - Fitted considerable higher land and planted some corn. Work retarded by rains, especially in lowlands. April 1 report showed 6.7% more brood sows on U. S. farms than year ago - but indicates reduction since report of last December. General disposition to plant about same or slightly more corn than last year.

WHEAT BELT - Winter wheat in fairly good condition except in western part of belt. Spring wheat sowing two weeks behind. Sentiment in North favors less wheat and more flax and corn. Wheat men not as optimistic as men in some other regions.

RANGE COUNTRY - Lambing and shearing in general progress. Rains in Southwest have put range in much better condition.

PACIFIC COAST - All reports optimistic. General rains have improved crops, fruit promises well, grain outlook good, livestock men reasonably cheerful. Coast apparently in good shape.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending April 1, 1923.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Live-Stock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available month.

	Mar. 1913	Mar. 1922	Feb. 1923	Mar. 1923
Cotton, per lb.	¢ 11.8	16.0	27.7	28.4
Corn, per bu.	¢ 53.7	56.9	74.3	76.3
Wheat, per bu.	¢ 79.1	117.0	105.1	106.9
Hay, per ton	$ 10.43	12.30	11.96	12.40
Potatoes, per bu.	¢ 50.3	113.6	63.6	73.6
Oats, per bu.	¢ 33.1	36.5	43.1	43.9
Apples, per bu.	¢ 83.7	199.4	136.0	147.1
Beef cattle, per 100 lbs.	$ 5.88	5.46	5.55	5.62
Hogs, per 100 lbs.	$ 7.62	9.08	7.65	7.52
Eggs, per dozen	¢ 16.4	19.9	30.4	21.8
Butter, per lb.	¢ 27.6	34.5	41.8	41.4
Wool, per lb.	¢ 18.4	25.0	35.3	37.3
Veal calves, per 100 lbs.	$ 7.49	7.85	8.37	8.20
Lambs, per 100 lbs.	$ 6.56	10.21	10.83	11.01

The price trend of important crops continues upward, on the whole; but the general level of livestock prices tends rather to stand still or move slightly downward.

PRICE INDEXES FOR MONTH ENDING APRIL 1.

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, and latest available months:

Farm Products
(Prices at the farm)

	Mar. 1922	Feb. 1923	Mar. 1923	Month Trend
Cotton	129	224	229 - - -	Higher
Corn	96	125	128 - - -	Higher
Wheat	149	134	136 - - -	Higher
Hay	112	109	113 - - -	Higher
Potatoes	177	99	114 - - -	Higher
Beef cattle	93	94	95 - - -	About same
Hogs	121	102	100 - - -	Lower
Eggs	103	157	113 - - -	Lower
Butter	128	155	153 - - -	Lower
Wool	150	211	223 - - -	Higher

Commodity Groups
(Wholesale Prices)

	Mar. 1922	Feb. 1923	Mar. 1923	Month Trend
Farm products	130	142	143 - -	Higher
Food, etc.	137	141	143 - -	Higher
Cloths & clothing	172	199	201 - -	Higher
Fuel & lighting	191	212	206 - -	Lower
Metals & met. products	109	139	149 - -	Higher
Bldg. materials	155	192	198 - -	Higher
Chemicals, etc.	125	132	135 - -	Higher
House-furnishing goods	175	184	185 - -	Higher
All commodities	142	157	159 - -	Higher

RELATIVE PURCHASING POWER

(At March 1923 Farm Prices)

1913 = 100

In terms of:	Of a Unit of: Cotton	Corn	Wheat	Hay	Potatoes
All commodities	144	81	86	71	72
Cloths, etc.	114	64	68	56	57
Fuel, etc.	111	62	66	55	55
Metals, etc.	154	86	91	76	77
Bldg. materials	116	65	69	57	58
House-furnishing goods	124	69	74	61	62

	Beef cattle	Swine	Eggs	Butter	Wool
All commodities	60	63	71	96	140
Cloths, etc.	47	50	56	76	111
Fuel, etc.	46	49	55	74	108
Metals, etc.	64	67	76	103	150
Bldg. materials	48	50	57	77	113
House-furnishing goods	51	54	61	83	120

The purchasing power indexes worked slightly higher during March in the case of the crops.

Livestock and stock products somewhat lower except in case of wool.

SUMMARY OF PRICE INDEX NUMBERS

1913 = 100

An index number cannot be assumed to show an absolutely precise position. It is, however, what the term suggests, an "index" to the relative situation. In other words, it indicates the trend.

In the following, farm price indexes are made up by this Bureau; wholesale prices are the Department of Labor indexes. Purchasing power represents relationship between prices, at the farm, of unit quantities of farm products and wholesale prices of unit quantities of commodities other than farm products.

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and livestock combined	Wholesale price All Commodities	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100	100
1914	108	103	106	98	94	112
1915	110	95	102	101	97	106
1916	124	111	118	127	132	89
1917	208	164	186	177	176	106
1918	224	192	208	194	186	112
1919	234	198	216	206	195	111
1920	238	168	203	226	234	86
1921	109	107	108	147	161	67
1922	113	111	112	149	163	69
1922						
January	98	95	96	138	150	65
February	105	108	106	141	149	71
March	112	117	114	142	150	76
April	115	115	115	143	153	75
May	118	118	118	148	161	73
June	119	119	119	150	164	72
July	118	119	118	155	172	69
August	114	112	113	155	176	64
September	110	109	110	153	170	64
October	110	110	110	154	169	65
November	118	105	112	156	169	66
December	123	104	114	156	168	68
1923						
January	126	106	116	156	170	68
February	130	107	118	157	172	69
March	134	106	120	159	175	69

* "All commodities", excluding farm products and food.
# Expressed in terms of other products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at 5 markets. Compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. Bu.	CORN Receipts Th. Bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	569,340
1922 Jan.	18,372	52,097	4,278	1,628	1,835	41,697
" Feb.	21,151	58,330	3,612	1,416	1,399	38,894
" Mar.	19,729	31,035	3,411	1,622	1,465	44,919
" Apr.	15,536	14,552	3,067	1,470	1,227	42,694
" May	29,015	27,083	3,737	1,878	1,692	68,893
" June	19,753	31,157	3,776	1,759	1,700	93,139
" July	42,128	25,975	2,980	1,709	1,677	92,829
" Aug.	59,649	24,380	3,037	2,149	1,951	62,494
" Sept.	56,992	35,296	3,062	2,373	2,303	46,419
" Oct.	49,124	32,477	3,682	2,936	3,311	41,351
" Nov.	41,510	23,925	4,421	2,427	2,288	38,678
" Dec.	46,002	37,466	5,004	1,825	1,516	38,475
" Total	418,961	393,773	44,067	23,192	22,364	650,482
1923 Jan.	38,002	38,371	5,306	1,876	1,636	48,697
" Feb.	20,176	30,518	4,492	1,427	1,366	39,877
" Mar.	22,081	24,709	4,926	1,502	1,430	49,881

Perhaps the only very significant trend shown is an increase in hogs and a decrease in corn moving to market.

THE TREND OF EXPORT MOVEMENT

Month	WHEAT including flour	CORN	BACON, HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON running bales
	1,000 Bushels	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1922 January	15,010	19,393	48,120	73,194	55,777	459
" February	10,992	22,052	66,003	75,520	62,647	326
" March	14,374	22,668	54,763	64,377	62,231	452
" April	10,449	18,485	43,254	42,459	48,828	602
" May	14,267	10,914	44,058	50,817	50,196	457
" June	18,195	11,646	55,621	57,249	64,124	478
" July	19,124	14,244	59,252	66,058	67,886	365
" August	38,964	12,170	51,353	68,907	60,443	269
" September	31,839	9,608	51,040	61,120	60,863	366
" October	25,077	10,149	50,940	66,333	60,651	798
" November	17,578	7,521	51,407	62,321	63,357	855
" December	16,428	4,758	65,642	78,596	76,951	606
1923 January	12,519	7,163	74,432	107,786	86,938	470
" February	12,197	8,699	64,488	89,055	75,023	360
" March						310
8 mos. July-Feb. 1921-22	222,116	112,672	424,495	597,477	495,514	4,522
Same period 1922-23	173,726	74,312	468,553	600,175	552,111	4,112

The general trend of exports compared with last year is lower in case of grain and cotton, higher in case of pork and lard.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders, fresh, canned and pickled pork, mutton and lamb.

THE COLD STORAGE SITUATION

April 1 holdings (Figures show nearest thousand):

Commodity	5 Year Average	Apr. 1, 1922	Mar. 1, 1923	Apr. 1, 1923
Creamery butter, lbs.	12,588	9,113	8,910	4,821
American cheese, lbs.	16,637	10,745	20,693	14,463
Case eggs, cases	732	950	13	449
Total poultry, lbs.	65,847	68,470	113,503	94,920
Total beef, lbs.	198,867	69,516	100,591	91,327
Total pork, lbs.	874,784	591,222	783,680	862,434
Lard, lbs.	109,992	86,031	59,101	66,518
Lamb & mutton, lbs.	11,404	2,878	5,758	6,632
Total meats, lbs.	1,174,599	717,417	957,908	1,030,238
Apples, bbls.	1,716	1,930	3,877	2,292

Stocks of meat fairly high, pork much higher than last year.

Eggs moving into storage.

Butter and cheese still moving out of storage.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

	1922 Mar.	1923 Feb.	1923 Mar.	Month's Trend
Production				
Pig iron (Thou. tons)	2,036	2,994	3,527	Increase
Bituminous coal (Thou. tons)	50,193	42,160	46,807	Increase
Automobiles shipped (Thou. carloads)	28	36	44	Increase
Consumption				
Cotton by mills (Thou. bales)	522	567	623	Increase
Unfilled orders Steel Corp. (Thou. T.)	4,494	7,284	7,403	Increase
Building contracts (Millions dollars)	294	230	334	Increase
Hogs slaughtered (Thousands)	2,246	2,819	3,234	Increase
Cattle " "	994	870	956	Increase
Sheep " "	780	707	805	Increase
Movements				
Bank clearings (N.Y.) (Billions dollars)	19	17	20	Increase
Car loadings (Weekly av., Thousands)	827	848	916	Increase
Mail order sales (Thou. dollars)	23,832	26,178	32,730	Increase
Men employed, 1428 firms (Thousands)	1,605	1,999	2,037	Improved
Unemployment in Pa. (Thousands)	279	18	15	Improved
Interest rate, Coml. Paper (60-90D)	4.80	4.63	5.00	Higher
Loans and discounts, F.R.M. banks (Millions dollars)	10,842	11,639	11,783	Increase
Grand total exports (Millions dollars)	251	307	---	- - - -
Argentine wheat shipments (Thou. bu.)	27,600	18,263	18,661	Increase
Wholesale Price Index (Dept. Labor)	142	157	159	Higher
Food retail price index (Dept. Labor)	139	142	142	Same
Av. price 25 industrial stocks (dollars)	89	115	116	Higher

Business activity steadily expanding.

Production increasing, but well taken care of by healthy distribution and increased consumption.

There is some tendency toward higher interest rates. The volume of loans and discounts of Federal Reserve Member banks (which is a measure of credit in use) is considerably higher than last year.

INTENDED PLANTING 1923

The following report issued by this Department April 20, summarizes the statements received during the first ten days of April from many thousand farmers.

Intended Planting 1923

CROPS	Per Cent 1922 Acreage	Per Cent of past five years' acreage. (1918-1922)	Per Cent of five year average acreage (1909-1913)
Cotton per cent of planted acreage	112.0	109.0	108.7
Spring Wheat per cent of harvested acreage	94.5	83.8	96.5
Corn " " " "	102.6	103.2	100.9
Oats " " " "	102.6	97.8	111.9
Barley " " " "	105.7	100.5	102.5
Flax " " " "	189.0	162.7	99.3
Irish Potatoes " " " "	90.9	99.6	107.0
Sweet Potatoes " " " "	97.5	107.6	175.8
Tobacco " " " "	110.0	108.9	155.1

SPECIAL COMMENT - COTTON. The intended plantings this year as a percentage of last year's planted acreage for the various cotton States are as follows:

Virginia	150 per cent	Louisiana	110 per cent
North Carolina	102 " "	Tennessee	119 " "
South Carolina	103 " "	Texas	114 " "
Georgia	101 " "	Arkansas	111 " "
Florida	130 " "	Missouri	200 " "
Alabama	113 " "	Oklahoma	120 " "
Mississippi	110 " "	Arizona	121 " "

Weather conditions since April 1 have been very unfavorable for the planting of cotton.

SPRING WHEAT. Spring wheat intentions have been affected by the late spring. Minnesota and South Dakota show a 12% decrease compared with 1922. North Dakota 4%. The Far Western States show about the same as last year. Montana reporting 6% less, and Washington 10% more. An increase of 50% in Nebraska is due to the planting of spring wheat on some of the abandoned winter wheat acreage. In Minnesota, North Dakota and South Dakota there will apparently be a strong shift to flax.

CORN. The intended increase of 2.6% for corn over 1922, is due to heavy increase in the Western portion of the Corn Belt and in the Far Western States. A part of the increase will replace winter-killed wheat, especially in Kansas and Nebraska. The East North Central States show an increase of 3%, the West North Central States 8%, the increase in the Far Western group is 20%. Slight decreases are shown for most Southern States.

OATS. The intended increase in the United States of 2.6% in acreage of oats over 1922 results from increases of 6% in the East North Central States, 2% in the West North Central, 7% in the South Atlantic, 13% in the Far Western, and 1% in the North Atlantic, with a 7% decrease in the South Central Division.

BARLEY. The United States shows an intended increase of 5.7% in barley acreage, compared with 1922, the East North Central States showing an increase of 10%, and the West North Central States an increase of 8%. The Far Western States show a decrease of 1%, a tendency to increase in the Mountain States being offset by a decrease in California.

FLAX. The 1923 flax acreage in the United States will be almost double the acreage of 1922, according to early intentions, Minnesota showing 190%, North Dakota 200%, South Dakota 225%, respectively, compared with last year. The change in Montana and other States is moderate.

SWEET POTATOES. A decrease of 2.5% for the United States is shown compared with 1922, reductions of about 10% being indicated in Delaware, Tennessee and Texas, and of 2% to 5% in New Jersey, the Carolinas, Mississippi and Louisiana. Elsewhere the intention is to maintain or slightly increase the acreage.

TOBACCO. The intended increase of 10% in tobacco acreage over 1922 is the result of proposed material increases in practically all States, Kentucky and Tennessee showing an increase of 14%, Virginia 2%, North Carolina 6%, South Carolina 20%, New England 17%, Ohio 15%, Wisconsin 12% and Pennsylvania 8%.

POTATOES. A decrease of 9.1% in acreage of Irish potatoes compared with 1922 is shown for the United States, decreases in important States being as follows:

Maine 7%, New Jersey, South Dakota, and Nebraska 15%, New York and Wisconsin 6%, Virginia 9%, Michigan 8%, Colorado 20%, North Dakota 25%, Idaho 22%.

COMMITTEE ON AGRICULTURAL OUTLOOK

A group of eighteen economists came together in this Bureau on April 20, at the invitation of Secretary Wallace, and spent two days in consideration and report on the agricultural outlook.

Not in many a day has a better informed group of men visited this Department. It included George E. Roberts of the National City Bank; Carl Snyder of the New York Federal Reserve Bank; Wesley C. Mitchell of the National Bureau of Economic Research; B. M. Anderson, Jr., of the Chase National Bank; E. N. Wentworth of Armour & Co.; B. W. Snow, grain expert, of Chicago; W. G. Reed, cotton expert, of Philadelphia; Professors Persons of Harvard, Warren and Pearson of Cornell, Adams of Yale; H. A. Wallace of Iowa; H. W. Moorhouse of American Farm Bureau Federation; H. C. Moulton, Institute of Economics, Washington; W. W. Stewart of Federal Reserve Board; W. T. Foster of Pollack Foundation for Economic Research; and F. M. Surface and E. G. Montgomery of the Department of Commerce.

The group divided into sub-committees which devoted one day to specific topics: Foreign demand, domestic demand, wheat, cotton, corn and hogs, etc. On the second day, Saturday, it went into executive session in the Crop Reporting Board room, and remained thus in session until its condensed report had been formulated and released to the newspapers. This general, condensed report follows herewith:

FOREIGN DEMAND

"The foreign outlook, on the demand side, seems slightly less favorable to our farmers in 1923 than it was in 1922.

"The favorable factors with respect to foreign demand are; First, the influence of American prosperity upon the demand for European goods, and second, the possibility that the slight business recovery that has occurred in a number of European countries may gradually gain momentum. Despite the tariff European exports to the United States in recent months have been considerably larger than for the same period a year ago. American prosperity increased purchases by the United States in South America, Asia, Africa, and Australia, which enables those countries to purchase somewhat more in Europe, thus giving Europe funds with which to buy United States foodstuffs and other commodities.

"The unfavorable factors are: First, the progressive piling up of Government debts on the continent of Europe, with its effect upon exchange, currency, and business, second, the Ruhr situation.

"The only possibility for an important increase in purchasing power lies in the ability of Europe to expand her manufactured exports. It is of the most vital interest to American agriculture that the United States lend aid in every way possible to the settlement of the reparation and other European problems. Revival in Europe has been much more marked in agriculture than in manufacturing.

"It was necessary in 1920-21 to submit to great price reductions in farm products in order to get Europe to take them.

"The prospect with reference to the supply of farm products for the coming year is that there will be at least no reduction in output in the United States. With some overflow of the business activity of the United States to the rest of the world, particularly the non-European part of the world, the prospect would rather be that there will be some increase in the production of foods in foreign countries. We can not, therefore, confidently offer any reason for the expectation that our farmers will meet any less severe competition in European markets during the coming year than they have met during the past year.

DOMESTIC DEMAND

"The domestic demand for agricultural products will be active so long as the present prosperous condition of business with full employment continues. Beyond a period of six to nine months in the future most authorities at present hesitate to make business forecasts, but most competent observers seem to agree that we may expect general business prosperity to last at least six to nine months longer. If this opinion is correct, demand will be distinctly more active next autumn than it was last autumn in so far as the demand for farm products depends upon the purchases of American Families not themselves on farms.

WHEAT

"The American exports of wheat during the last two years were unusually large owing to the low exports from eastern Europe, and continued low production in some countries in Europe. These exports should not be taken as normal, nor be expected to continue permanently. The European countries are making efforts to put their grain production on a pre-war basis and as they become able to accomplish this it is to be expected that our exports will decline and that our production should be readjusted to meet these changing conditions.

"The condition of the winter wheat crop in the United States is unfavorable. The intended plantings of spring wheat are 94.5 per cent of last year's acreage and weather thus far has been unfavorable for spring planting. The enormous net movement of 1,120,000 persons from farms to towns and cities in the two years ending with December 31, 1922, leaves the farms in an unfavorable position to meet emergencies.

"The rainfall in the United States has such a dominating influence on the final production that in spite of unfavorable factors the supply may be so large as to keep prices low or if the rainfall is unfavorable it may result in such a reduced production as to make farm prices rise.

COTTON

"The world's consumption of American cotton in 1921-22 was about 12,600,000 bales; the indicated world's consumption for the year 1922-23 is not less than 13,000,000 bales. There is no evidence at present that the consumption of 1923-24 will fall below this figure.

"The available information indicates, however, that the world carry-over of all cottons on July 31, 1923, will be 6,800,000 bales (largely of foreign short staple cotton) compared with 6,700,000 bales in 1922 and 10,500,000 bales in 1921, and that the use of American cotton will be little, if any, restricted on account of foreign production.

"On the basis of farmers' intentions to plant 12 per cent greater acreage than they planted in 1922, the cotton acreage harvested in 1923 would be 36,888,000 acres. If the yield per acre in 1923 should prove to be the same as the average for the five years 1918-22, the total crop would be 11,810,000 bales. If the yield should be the same as the lowest in the last five years (124.5 lbs.) the total crop would be 9,610,000 bales. If the yield should be the highest in the last five years (178.4 lbs.) the total crop would be 13,770,000 bales.

"The indicated carry-over of lint cotton (including mill stocks) in the United States at the end of the present cotton season (July 31, 1923) will be 1,184,000 bales (including 100,000 bales imported foreign cotton), compared with a carry-over of 2,832,000 bales in 1922; 6,534,000 bales in 1921 and 4,287,000 in 1920.

TOBACCO

"The figures of intended planting raise serious questions. The intended planting for 1923 exceeds the acreage of 1922 by 10 per cent the average acreage for 1918-1922 by nearly 9 per cent, and the average acreage for 1909-1913 by 55 per cent.

"It is true that the general business situation warrants the expectation of an active demand from ultimate consumers for the next nine months. This factor is favorable. But it is relatively an unimportant factor. In the main, since the cessation of extraordinary war conditions, the demand for leaf tobacco is comparatively inelastic. Conditions of production and supply in the main control. There is nothing in the probable demand sufficient to offset the contemplated increase of 10 per cent in planted acreage, particularly when we consider that the 1922 acreage was above the normal and that the trend of prices since 1920 has, on the whole, been downward.

CORN AND HOGS

"The corn situation at this date is about normal, stocks on farms being almost exactly the same as the 5-year pre-war average. Between now and the time the new crop is harvested there will be some tendency toward corn shortage because of the larger number of hogs on feed.

"Hog production has been heavy and is still in a state of expansion. Unless bad weather and other conditions have reduced the number of spring pigs to an unusual degree, the price of hogs may be depressed next fall and winter.

"During the past winter more pounds of pork products were produced than in any previous winter in history, amounting to a 30 per cent increase over the preceding year.

"The storage holdings of pork and lard were, on April 1, 1923, 929 million pounds as compared to 677 million pounds on April 1, 1922, an increase of 37 per cent in the year, an equivalent on a liberal estimate for carcass weights of over 1,300,000 hogs. All products except lard show a distinct increase.

"The prospect which producers must face before a year has elapsed is the absorption by domestic and foreign consumers of a surplus of over six million hogs and 250 million pounds of stored products. This represents a surplus of over seven million hogs, approximately 12%, above last year's production."

FARM WAGES ARE ADVANCING

Wage class and date	United States	North Atlantic States	East North Central States	West North Central States	South Atlantic States	South Central States	Western States.
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Per month with board:							
Oct. 1, 1922..	28.97	37.05	33.92	34.41	21.37	21.46	45.38
Jan. 1, 1923..	27.81	36.54	32.34	30.69	21.06	21.46	42.78
Apr. 1, 1923..	30.98	41.02	37.14	36.22	23.04	22.49	45.55
Per month without board:							
Oct. 1, 1922..	41.58	54.65	47.02	48.78	31.10	30.96	66.81
Jan. 1, 1923..	40.30	54.39	45.84	44.33	30.71	31.03	62.71
Apr. 1, 1923..	44.47	60.41	51.81	50.12	33.69	32.92	66.82
Per day, with board:							
Oct. 1, 1922..	1.57	2.15	1.95	1.94	1.09	1.07	2.33
Jan. 1, 1923..	1.47	2.13	1.81	1.67	1.06	1.05	2.08
Apr. 1, 1923..	1.57	2.27	1.91	1.83	1.14	1.10	2.19
Per day, without board:							
Oct. 1, 1922..	2.08	2.86	2.54	2.59	1.45	1.46	3.06
Jan. 1, 1923..	1.98	2.82	2.43	2.29	1.40	1.43	2.81
Apr. 1, 1923..	2.11	3.04	2.55	2.47	1.53	1.48	2.93

Above are average wages of farm labor as compiled by the Division of Crop and Live-Stock Estimates, of this Bureau.

SPRING PIGS INCUR HEAVIER LOSSES BEFORE WEANING TIME THAN DO FALL PIGS

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The results of cost of production figures kept upon 3025 litters of pigs during 1922 in Illinois, Iowa and Indiana, show that 36% of the pigs farrowing in the spring litters died before the general weaning season, while a total of only 24% of the pigs farrowed in the fall died before the general date of weaning.

The following table gives the principal causes of pig losses up to weaning time:

Number Pigs Died per 1000 Farrowed

Causes of Death	Spring	Fall
Overlaid	151	113
Farrowed dead	69	32
Farrowed weak	30	7
Chilled	22	6
Starved	17	23
Scours	11	3
Injured by other stock	3	11
Sore mouth	8	5
Eaten by sows	6	3
Worms	3	9
All other causes	38	30
Total died in each 1000 farrowed	358	242

Since the size of litter alive at weaning time has more influence upon the final cost of pork produced than any other factor of production, a very careful study into the causes of these losses is important. The most important of all causes have been enumerated in the above table. It is very noticeable that these losses are not from disease, but in very few instances, the causes of death are in the main due to the method of handling the sow before farrowing and she and her pigs after farrowing.

SOME NOTES ON THE BUSINESS AND MARKET SITUATION

If a man familiar with the economic situation a year ago had gone to sleep then and awakened only just now, he would be astonished at the present layout.

The urban community has staged a remarkable revival. The present picture of heavy production, soaring wages, mounting prices, and credit expansion offers some contrast to the stagnation of a year and a half ago. It is only about that long since we were holding a national conference on unemployment.

Since the key to the agricultural situation rests so largely with our domestic industrial condition this year it is highly advisable to keep tab, as well as may be, on what is happening.

A year or so ago farmers lived in hopes that prices of farm products would rise or prices of manufactured products fall until the disparity between the two materially lessened. This has not come to pass to the extent hoped for. From the standpoint of agriculture, relative to urban industry, the chief price improvement during the past year has been in cotton and wool. The purchasing power of farm products as a whole is only moderately higher than it has been for two years. It is still unduly low.

This business revival is primarily an urban development. It probably represents a normal up-swing in the business cycle. But it represents more than that.

We devoted four years to making war materials. Then we devoted a year more to filling frenzied orders from Europe. Then, Europe having run through her immediate supply of gold and credit, and the public here at home being unable to support the inflated business structure, we devoted a year to whole-hearted stagnation. After all of which, we awoke to find our own country about seven years behind on basic equipment - notably houses, railway equipment, automobiles, textiles, roads, bridges, and so on.

Thus, early in 1922, as the business community was about able to sit up again and take some interest in life, there descended upon it a stupendous, cumulative, peremptory demand to catch up with some of these war-time shortages. Industry fell to! The metal mines, the steel industry, the building trades, the textile industry, and the thousand and one related lines took on labor and began turning their wheels at speed. At least four great booms were launched: houses, railway equipment, automobiles, textiles. They are still booming.

These booms are in the cities and towns, not in the open country. To some extent they were initiated at the farmer's expense on cheap food and raw materials which did not have an accustomed foreign market.

This up-turn in the economic cycle, while naturally more violent and sustained than usual, nevertheless bears some usual earmarks. Labor fully employed; production heavy; wages rapidly increasing; wholesale prices rising; retail prices beginning to rise; stock market strong; expansion of credit; big volume of bank clearings and railroad freight movement; all these things have been telling the plain story. It is a great productive boom. It is in the cities. It is, in fact, a rather impressive evidence of the tremendous capital resources as well as population requirements of the American urban community.

To agriculture this has not, as yet, meant much improvement in buying power. But it does mean an improved domestic market for farm products. When labor is fully employed and wages high, farm products find a readier sale and better prices. That is what has helped to sustain the price of hogs this spring, likewise lambs, cattle, dairy products, eggs, and certain vegetables.

But we come now to the interesting point. How long is this industrial boom going to last? What is the probable outlook for next fall and winter? It means a good deal to the farmer whether his products next fall are to be sold to a busy community drawing high wages or to one growing stagnant with strikes and unemployment and on the way to depression again.

On the bullish side of the fence are at least two strong market factors. First, the railroads claim that they will spend over a billion dollars this year for new equipment. Second, the total of building contracts already under way may - barring interruptions - carry the building boom well into 1924. These two great fields in themselves are conceivably almost powerful enough to carry the economic high tide along through this year.

But there is something on the other side of the fence. The evidence suggests that <u>we may be farther along</u> on this up-swing of the business cycle than most persons have any idea. It began more than a year ago - while most of us were dreaming over stagnation. It proceded steadily even though partially obscured by the coal strike and the railway shopmen's strike. It has swept on to flood tide - while most of us have been just awakening to its existence.

While we were watching the Federal Reserve ratio for signs of credit expansion, such expansion calmly proceeded without heavily using Reserve Bank credit. The total loans and discounts of national banks in September 1920 amounted to 12,416 million dollars. This figure fell to 10,978 millions a year later. On December 29, 1922 it had risen again to 11,600 million dollars. Nobody yet speaks of this as credit inflation, but the past year can be reasonably termed a period of expansion. The credit possibilities of about a billion dollars worth of foreign gold deposited in American banks within two years are not to be forgotten.

Wages are getting along toward the high level of 1920, and climbing every day. The favored industries are now definitely bidding against each other for labor. When a steel or textile corporation boosts wages 12% and is matched the same day by its leading competitors - none of

whom primarily expects thereby to increase production but merely to retain its present labor - it may be written down as suspiciously like one symptom of the general disease commonly spoken of as inflation. Wage increases are running through industry now like fire through dry grass. They seem about to hit the railroads next.

The price situation has been moderately steady. But prices of non-agricultural products are high and advancing and the process is likely to soon accelerate because of the mounting cost of production.

One of the great quartette of industries that have helped to make the backbone of this boom seems already fighting to keep the pace. That is automobiles. On the face of things, the automobile industry is at the very zenith of production and prosperity. So it is. But just around the corner it seems to scent the bogey of a saturated market. Automobile dealers are increasingly employing every business device of advertising, partial payment and what-not to move the cars. The point is reached where it is said that something more than half the new cars sold involve trading and disposal of used cars. It is possible that the automobile boom may or may not ride through to next winter. Production of cars normally decreases in the fall.

The stock market has had its traditional boom - anticipating better corporation earnings and dividents - and has apparently reached some kind of a high point, or at any rate has temporarily stopped rising.

So it goes. Some aspects of the boom argue that it will certainly continue through next winter. Certain other evidence suggests that there might be a reaction before winter. It is about eight months until the crops come on the market again in full flood. That is long enough for considerable to happen. It might be long enough for the automobile, textile, and even the building booms to rise and wane. The railway equipment program will probably not wane, so far as present contracts go, except in event of strikes.

The impression persists that we may be <u>farther along</u> in this upward phase of the business cycle than is commonly suspected. That may or may not be the case. It is only one guess. But if it be entertained at all, as a hypothesis, then before next winter we might possibly look for some culmination of the business expansion. That is, that part of the boom which is based upon replacement of war-time shortages might slow down. This might involve some not uncommon circumstances - high wages, possible strikes, high retail prices, slackening of buying and distribution, canceled or unrenewed contracts; and gradually the slow-up of production and employment, falling wages, etc. The boom will then be over.

Whatever happens during the coming eight months, there are a few general factors which it seems not unreasonable that farmers may reckon on next fall.

Retail prices of non-agricultural products are likely to be higher than at any time since 1920. No matter what kind of a market it proves to be for farmers to sell in, it is almost certain to be an expensive one for them to buy in. Men who figure on throwing away old machinery

or fences or buildings or clothes this summer would do well to patch them up and hold on to them. Farm communities will find it an expensive time to build new schools, bridges, and roads. This does not refer, however, to projects looking to construction work a year or two years hence.

Labor is going to be less plentiful on famrs as long as the industrial boom continues. The thing to do is to look forward to a labor handicap in harvest and plan for it. It would not change that condition, except in degree, if all of Eurppe were free to emigrate to this country. There has never been a similar period of one-sided, urban prosperity that did not draw labor from the farms. It happened in 1895, in 1909 and 1919. It always happens. We may as well recognize a condition and do what we can to prepare fo it. There will be a pinch at harvest time.

And in addition to a probable shortage of hired help, farm wages are likely to go higher. How farmers can pay much higher wages under present conditions is a puzzle. But that wages will tend to advance for those hired men who are kept, is almost a certainty. This is another contingency that we may as well recognize now while plans for the summer can be somewhat shaped. Men who lay out work for this summer which calls for considerable hired help should not wait till mid-season to mark up the wage items in their budget. Plan for it now, instead of having to revise calculations next August.

Money conditons might be somewhat unsettled next fall. Farmers who must make financial commitments this year might do well to arrange matters rather early in the year.

The advisability of early marketing versus holding products over until next spring should have some careful thought this summer. Nobody can give advice thereon - and most certainly not at this early date. But city employment and wages are going to be factors in the price of potatoes, vegetables, fruit and meat animals, as well as the size of the crops themselves. The producers of cotton and wool should keep a very close eye on the textile situation (mill consumption, prices, export, and domestic retail sales). The time when either of those fibers is marketed may make considerable difference in the price realized this coming season. When the boom wanes, raw materials will feel early effects.

There are a lot more meat animals in the country than two years ago. Meat animals always represent, in a sense, stored-up crops. The increase of animals now on hand represents, in some measure, a carry-over of surplus grain and fodder which could hardly be given away in 1920 and 1921. It is well worth pondering whether this summer may not be a good time to let the cities have some of this meat, while they are in a meat-eating frame of mind. Meat consumption always falls off when employment and wages fall off. Stockmen are more or less disposed to view the recent relative strength of livestock prices as reason for increasing their herds. Breeding herds and feeding operations expanded last winter until they boosted the price of corn nearly 14 cents a

bushel. This year's pork production holds the prospect of a surplus over last year equivalent to seven million hogs, or a 12% increase. All this tendency is quite human. It is the natural reaction to the immediate price situation, notwithstanding underlying conditions. Speaking broadly, it is now worth serious thought whether this season is the time to plan for further increases in breeding herds or whether it is the time to work off some of that carry-over of cheap 1921 grain which is now stored on the hoof. This applies to hogs and beef cattle, in similar sense to dairy cattle and poultry, but in less degree to sheep. It will be modified by local conditions, of course.

This is no time for pessimism. That time was two years ago. It is true that there is greater general prosperity now in the cities than on the farms. The present prosperity would probably be healthier and longer-lived if it included the farmer to a little greater degree. But the cities are not merely going through motions. They are working hard and they are producing. When men work and produce they acquire purchasing power. Urban prosperity almost always means an improved market for farm products. It means that this year.

This is not much of a time for expansion on the farms, generally speaking. It is a good time to sail close to the wind - to be careful about expenditures, to try to grow at home as much of the family living as possible.

But, everything considered, the agricultural outlook now is probably the best it has been in three years. The thing for a man to do is to grow what he can this summer and get it to market in the best shape possible.

A. B. G.